

Forget the politics

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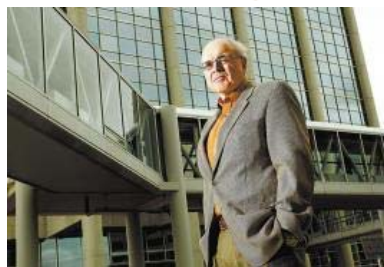
It's important to allow economic development professionals to do their jobs independently, says Fred Morley, one of the creators of Nova Scotia Business Inc. The creation of Nova Scotia Business Inc. allowed staff to act independently and make decisions quicker, says Fred Morley, one of the designers of the economic agency

B1 Dave MacLean
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One of the chief architects behind the creation of Nova Scotia's private-sector-led economic development agency says the organization works better than the traditional model - a government department led by bureaucrats - because the politicians are further removed from the decision-making process.

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Paul Darrow for the Telegraph-Journal

'You don't see many politicians in surgical rooms,' says Fred Morley. 'Government has to have confidence in the professionalism of the people so they can take a more hands-off approach.' Morley is one of the co-authors of the economic strategy that recommended the establishment of Nova Scotia Business Inc. and its first senior manager.

Fred Morley, one of the co-authors of the economic strategy that recommended the establishment of Nova Scotia Business Inc. and its first senior manager, says officials felt handcuffed and over-regulated at the former provincial department of economic development.

"Before Nova Scotia Business Inc. came around, there were a lot of restrictions in terms of what economic development organizations could do," Morley said. "For example, you needed ministerial approval to get on a plane to visit a client.

"I was in economic development at the time and we were working on major deals without ever leaving the province. We were invited to corporate head offices to meet with companies, but in some cases we weren't able to go."

He said the creation of Nova Scotia Business Inc. allowed staff to act more independently and make decisions more quickly.

"I used to have what I called Fred's 100 per cent rule," Morley said. "If something came from the top down, it failed 100 per cent of the time and if something came from the bottom up, it was usually quite successful.

"My perspective was that the more political fingers that were on something, the less likely it was that it would ever work.

"Politicians can be incredibly supportive and incredibly valuable in getting deals done, but it's important to allow the business community and the professionals in economic development to do their jobs independently."

Some observers of Business New Brunswick are critical of the department's structure and argue the department would be more effective if it was modeled after the Nova Scotia system.

Morley, who now serves as executive vice-president and chief economist with the Greater Halifax Partnership, said staffing is more important than structure.

"Maybe I'm a little biased, but I like the model. I'm very pleased that people think it's working well.

"New people were brought in to mix with the old hands in economic development and I think it was a good mix. It's something that any jurisdiction could do in terms of structure, but the key thing is always people, of course. You have to have the right people, committed people, who are energized by doing economic development deals."

Morley said the private sector tends to operate more efficiently and make decisions quicker than government departments. He said politicians have to make a leap of faith before ceding control to the private sector.

"The pace of decision-making, both in terms of going after something at the operational level is better," he said. "And also if you get to a stage where you're doing a deal that requires some incentive. Those decisions get made fairly quickly. That does require a degree of good faith on the part of government because it's sometimes hard to be hands-off on this stuff.

"But it's not something that's unusual in government. You don't see many politicians in surgical rooms. Government has to have confidence in the professionalism of the people so they can take a more hands-off approach."

Morley also noted the contrasting reactions when a jurisdiction lands a big corporate fish. When Nova Scotia convinced Research In Motion Ltd. to set up shop in the province in 2005, there was criticism everywhere. In the provinces that had been unsuccessful, criticism was pointed at their own economic

development agencies.

But taxpayers in the Bluenose province complained the company didn't need government assistance. It was reported Nova Scotia offered \$19 million in incentives to secure the 1,200 jobs.

"One of the challenges you face in economic development is working with winners," he said. "People say 'They don't really need our money.' But what's the alternative? Do you invest with losers? There have been a number of examples in Nova Scotia where we've invested in good, strong companies and just gotten beaten up by public opinion. There are hundreds of communities around the world who would love to have Research In Motion."

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